

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 1093
92ND GENERAL ASSEMBLY

Reported from the Committee on Financial and Governmental Organization, Veterans' Affairs and Elections, February 9, 2004, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

3931S.03C

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapters 67, 362, and 369, RSMo, by adding thereto three new sections relating to investment of public funds.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 67, RSMo, is amended by adding thereto three new sections, to be known as sections 67.085, 362.112, and 369.161, to read as follows:

67.085. Notwithstanding any law to the contrary, any political subdivision of the state, and any other public entity in Missouri may invest funds of the public entity not immediately needed for the purpose to which such funds or any of them may be applicable provided each public entity meets the requirements for separate deposit insurance of public funds permitted by the Federal Deposit Insurance Corporation and in accordance with the following conditions:

(1) The public funds are invested through a banking institution which has been selected as a depository of the funds in accordance with the applicable provisions of the statutes of Missouri relating to the selection of depositories and such banking institutions enter into a written agreement with the public entity;

(2) The selected banking institution arranges for the deposit of the public funds in certificates of deposit in one or more banking institutions wherever located in the United States, for the account of the public entity;

(3) Each such certificate of deposit issued by banking institutions as provided in subdivision (2) of this section is insured by the Federal Deposit Insurance Corporation for one hundred percent of the principal and accrued interest of the certificate of deposit;

(4) The selected banking institution acts as custodian for the public entity with respect to the certificate of deposit issued for its account; and

(5) At the same time that the public funds are deposited and the certificates

of deposit are issued, the selected banking institution receives an amount of deposits from customers of other banking institutions equal to the amount of the public funds initially invested by the public entity through the selected banking institution.

362.112. In addition to any other banking authority, a bank or trust company may act as a custodian for any entity, public or private, and place funds in any other financial institutions, provided such funds are placed in deposits and insured by the Federal Deposit Insurance Corporation.

369.161. In addition to any other banking authority, a savings and loan association or savings bank may act as a custodian for any entity, public or private, and place funds in any other financial institutions, provided such funds are placed in deposits and insured by the Federal Deposit Insurance Corporation.

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